

21 March 1972

MEMORANDUM FOR: Director of Economic Research

SUBJECT : Non-USIB, Inter-Agency Economic Committees

1. The annotated list of committees contained herein is limited to those that engage in some predictive or analytical effort rather than in policy determination solely. Also excluded are NSC ad hoc working groups established to respond to specific NSSMs, the FARs (regional consultative groups on external research chaired by appropriate INR office directors), other ad hoc inter-agency committees such as last year's IGDI (Inter-Agency Group on Direct Investment), CIEP, and the various committees that are involved with COCOM and US Export Controls.

2. Population. No committee is active in this field at the present time; the Inter-Agency Committee on Population has been dormant for several years.

3. Trade. The Trade Staff Committee is chaired by STR and includes State, Treasury, Commerce, Agriculture, Defense, Interior, and Labor; Tariff is an ex officio member. Representation is at the Assistant Secretary level (or their designated representatives). It was established by an Executive Order pursuant to the Trade Expansion Act of 1962. Often it sets up working groups to examine a specific problem area, e.g., generalized preferences. It, in turn, reports to the Trade Executive Committee, which is at the Under-Secretary level.

4. Aid. The Inter-Agency Staff Committee reviews all PL 480 programs. It is chaired by Agriculture, which also supplies its Executive Secretariat. Membership includes State, OMB, Treasury, Commerce, and AID. Its authority goes back to the original PL 480 legislation. It has various subgroups such as one that focuses its attention on Title II (grants). The state of the economies of the recipient countries are reviewed.

The Development Loan Staff Committee is chaired by AID, and includes State, Treasury, Commerce, and the Export-Import Bank as voting members, and OMB, FRB, and Agriculture as observers. It reviews all perspective AID loans and housing guarantees on the basis of economic and financial analyses that run from 50 to 150 pages each, and which include assessments of the recipient countries' economies. Final determination is made by the Development Loan Committee -- composed of principals -- which is chaired by the AID Administrator.

(Notes: At an early stage the Capital Assistance Executive Committee meets on loan requests from the field; an affirmative decision -- at the Bureau level -- leads to the preparation of a loan paper by the Mission.

OPIC guarantees are not subject to inter-agency review.)

The Export Expansion Advisory Committee was set up to advise the Export-Import Bank on the appropriateness of applications to the Export Expansion Facility (the bank's high-risk window). It is chaired by Commerce and includes Export-Import Bank, Treasury, and State. Its guidance seems to have become pro forma (all ExIm loans above \$10 million are brought before the NAC -- see below).

5. Monetary. The Volcker Group consists of Paul Volcker for Treasury; William Dale, US Executive Director of IMF; Nathaniel Samuels (usually accompanied by Sidney Weintraub) of State; Governor Dewey Daane (usually accompanied by Robert Solomon) of the Federal Reserve Board; Marina Whitman, CEA; and (probably) Peter Flanigan of CIEP. It is the highest-ranking body in our government that determines policy on international monetary issues. As a prelude to policy-making it engages in evaluation; as for an example, an examination of various proposals for international monetary reform. It is the successor to the similar group created and chaired by former Under Secretary of Treasury Deming.

The National Advisory Council on International Monetary and Financial Policy (NAC). The NAC is chaired by the Secretary of the Treasury and includes the Secretaries of State and Commerce, the Chairman of the FRB, and the President of the Export-Import Bank. It is served by a committee of alternates at the Assistant

Secretary level and by a Staff Committee composed of professionals from the Council agencies. Other government agencies participate by invitation at all levels on matters of concern to them. It was established in 1945 by the Bretton Woods Agreements Act to coordinate the policies and operations of the US representatives on the IMF, the IBRD, and the IDB as well as to review the transactions of the Export-Import Bank. Its present charter was established by Executive Order 11269 of 14 February 1966. Treasury supplies its Executive Secretariat, which is directed by Fred Springborn of OASIA. The Staff Committee, chaired by him, usually meets weekly at Treasury. It is here that Bill Dale receives his instructions on how to vote on issues coming before the IMF's Executive Board in the following week. Since 1966 the NAC has not reviewed the decisions of the Development Loan Committee (DLC). For the most part, the work of the NAC and its subordinate structure is of an operational nature. It does, however, from time to time engage in analytical work. Moreover, it submits an annual report to the President and to the Congress whose main purpose is to discuss in some depth specific international monetary and financial policy issues.

The Balance-of-Payments Forecasting Committee is an ad hoc technical group about ten years old. It is chaired by Treasury (Lederer), and includes FRB, the New York Fed, State, Commerce (both OBE and OFDI), and sometimes CEA. Each quarter it prepares short-term forecasts of the US balance of payments.

6. In addition to the foregoing there are working parties and working groups that serve the US delegation at OECD. For example, in support of the work of the Economic Policy Committee, Treasury, FRB and CEA -- sometimes joined by State and Labor -- respond to specific requests on an ad hoc basis. Lastly to state the obvious: the greatest economic coordination within the Washington foreign affairs community is done informally.

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